

SALE AND DISPOSAL OF LAND POLICY

Type:	Council Policy		
Owner:	CEO		
Responsible Officer:	Director, Infrastructure and Environment		
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Legislation Reference:	Section 267 of the <i>Local Government Act 2019</i>		

1 PURPOSE

Katherine Town Council is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets. These assets include land, buildings and structures, parks and recreation areas, roads and car parks, footpaths/kerbs and walking tracks, drainage systems, and associated operating assets that provide service essential to our community's quality of life.

Land is a key asset required to be managed by the Council who owns many land titles for a variety of purposes including for health, recreation and open space, operational (offices and depots), waste management facilities, the cemetery, and roads and footways.

The purpose of this policy is to outline Council's process for the sale and disposal of land in a fair and transparent manner and defines those circumstances with reasons for sale and disposal methods other than by public tender.

2 SCOPE

This policy applies to all identified land assets of Katherine Town Council, for use by the community, elected members, staff and visitors.

3 DEFINITIONS

Dispose/Disposal means to sell, donate, exchange or otherwise transfer land to ownership other than the Council.

Land means the definition in section 7 of the *Local Government Act 2019*. It does not cover easements or rights of way.

Council will consider the disposal of land where it has been determined that the land is no longer required for the Council or the community. Council will dispose of land in a considered and responsible way in accordance with the Act and the principles, considerations and procedures set out within this Policy.

The sale and disposal of land owned by Council will be in accordance with the Local Government (General) Regulations 2021 and *Guideline 4: Assets* (made under section 342 of the *Local Government Act 2019*).

The sale or disposal of land assets will:

- be consistent with Council's economic, social and environmental objectives
- be undertaken in compliance with legislative and other obligations
- occur only after consultation with all affected stakeholders and relevant sections of the community taking into account all relevant comments and representations
- be undertaken with the intention of securing maximum financial and other benefits for the community
- be through a fair and open process following independent valuation
- be in accordance with integrity principles and the Code of Conduct for Employees, and
- be open to public scrutiny while maintaining appropriate levels of commercial confidentiality.

CONSIDERATIONS BEFORE SALE OR DISPOSAL OF LAND

Before commencing with the disposal of land process, Council will obtain an independent valuation, no more than twelve (12) months prior to the proposed disposal.

When choosing a method of sale or disposal, the council will consider the following matters:

- the current and possible preferred use of the asset
- the total estimated value of the asset
- the potential for the council to obtain the best price for the asset
- the number of known potential purchasers for the asset
- the existence of local purchasers for the asset
- the opportunity to promote local economic growth and development
- appropriate delegation limits to achieve accountability, responsibility, operational efficiency and considering the urgency of the sale, and
- compliance with legislative requirements and other council obligations.

LAND VALUED AT LESS THAN \$100,000

For the sale or disposal of land valued at less than \$100,000, Council will consider one of the following two methods:

- undertake direct sale by advertising the land for sale through a public notice or in a local newspaper, or
- selected tenders to a group of persons, companies or organisations (including community organisations).

Council will negotiate directly with the proposed purchaser to ensure the sale/disposal brings the best return for Council and the community.

LAND VALUED AT OR ABOVE \$100,000

For the sale or disposal of land valued at or above \$100 000, Council will sell the land through one of the following two methods:

- public auction by appointment of a suitably qualified auctioneer with an established reserve price, or
- public tender openly seeking, through advertisement, tenders, or buyers for land.

Council will seek to dispose of land at or above current market valuation by whichever method is likely to provide Council with a maximum return, unless there are reasons for Council to accept a lesser return which is consistent with the Council's overall strategic direction. These reasons must be documented in writing.

SPECIAL CIRCUMSTANCES

In some circumstances Council may consider a sale or disposal other than through the open market based on individual case merits. These circumstances may include but are not necessarily limited to the following:

- land that because of its small size, dimensions or irregular shape would not readily support a self-contained development outcome
- land that has no legal access
- land to be developed by another level of government
- preferred future use of the land as identified by the Council
- land of nominal value
- land for inclusion with an adjacent holding
- land that will complement a proposed development on an adjoining site, the sale of which is consistent with Council's objectives.

ETHICAL BEHAVIOUR AND FAIR DEALING

Council employees involved in the sale or disposal of land are required to:

- behave with impartiality, fairness, independence, openness, integrity, and professionalism in all discussions and negotiations
- provide all prospective purchasers with equal opportunity to make an offer
- use straight forward and user-friendly documentation
- adopt clear and easy to understand evaluation criteria and methodology
- maintain consistent processes and feedback on decisions
- offer access to a timely and effective complaints procedure; and
- ensure effective communication and provision of information to all prospective purchasers.
- confidentiality of all commercial information, and
- adherence to all legislation, policies, procedures and codes.

Council will not dispose of land to any Councillor, employee of the Council or persons related to a Councillor or employee who has been involved in any process of establishing a reserve price, or if they are in a position to have knowledge of the reserve price prior to the auction.

Council will not dispose of land to any Councillor, Council employee or person related to a Councillor or employee unless the sale is by public auction and an interest has been declared by the Councillor or employee prior to the setting of a reserve price.

5 ASSOCIATED POLICIES/DOCUMENTS

Asset Management policy
Katherine Town Council annual Municipal Plan
Procurement Policy
Asset Capitalisation and Depreciation Procedure
Asset Disposal Procedure
Asset Revaluation Procedure
Register of major assets
Register of portable and attractive assets
Code of Conduct for Employees

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019
Local Government (General) Regulations 2021
Guideline 4: Assets (made under section 342 of the Local Government Act 2019)

Revision History

Version	Approval date	Details of change	Responsible officer
1	2017	Created	CEO
2	23/05/2023	Revised policy, new template	Director, Infrastructure and Environment